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**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

SEC Mail Processing

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**FACING PAGE**  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the**  
**Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Further Lane Securities, L.P.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

250 East 54th Street, Penthouse 1

FIRM ID. NO.

(No. and Street)

New York

New York

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

J. Michael Araiz

(212) 490-2111

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Rothstein, Kass &amp; Company, P.C.

(Name -- if individual, state last, first, middle name)

4 Becker Farm Road

Roseland

New Jersey

07068

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions

PROCESSED

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THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

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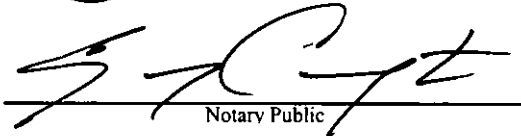
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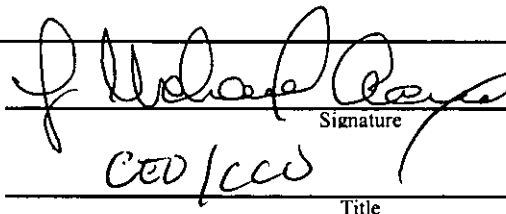
## OATH OR AFFIRMATION

I, J. Michael Araiz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Further Lane Securities, L.P., as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



GARY F. CRAYTON  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. 01CR6135307  
QUALIFIED IN KINGS COUNTY  
MY COMMISSION EXPIRES OCTOBER 17, 2009

  
Notary Public

  
Signature  
CEO / CCO  
Title

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditor's report on internal accounting control.
- ☐ (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FURTHER LANE SECURITIES, L.P.**  
STATEMENT OF FINANCIAL CONDITION  
AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2007

# FURTHER LANE SECURITIES, L.P.

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Certified  
Public  
Accountants

Rothstein, Kass & Company, P.C.  
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Roseland, NJ 07068  
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fax 973.994.0337  
www.rkco.com

Beverly Hills  
Dallas  
Denver  
Grand Cayman  
New York  
Roseland  
San Francisco  
Walnut Creek

# Rothstein Kass

## INDEPENDENT AUDITORS' REPORT

To the Partners of  
Further Lane Securities, L.P.

We have audited the accompanying statement of financial condition of Further Lane Securities, L.P. (the "Company") as of December 31, 2007. The statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Further Lane Securities, L.P. as of December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

*Rothstein, Kass & Company, P.C.*

Roseland, New Jersey  
March 27, 2008

# FURTHER LANE SECURITIES, L.P.

## STATEMENT OF FINANCIAL CONDITION

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December 31, 2007

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### ASSETS

Cash and cash equivalents	\$ 11,650
Securities owned, at market	4,247,034
Due from clearing broker	100,274
Property and equipment, net	60,556
Due from affiliates	1,305,723
Other assets	<u>86,018</u>
	<u>\$ 5,811,255</u>

### LIABILITIES AND PARTNERS' CAPITAL

#### Liabilities

Securities sold, not yet purchased, at market	\$ 1,290,404
Subordinated loan	1,397,773
Accrued expenses and other liabilities	<u>166,697</u>
Total liabilities	2,854,874

Partners' capital	<u>2,956,381</u>
	<u>\$ 5,811,255</u>

# FURTHER LANE SECURITIES, L.P.

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations

Further Lane Securities, L.P. (the "Company") is a broker dealer located in New York City. The Company is registered with the Securities and Exchange Commission ("SEC") and Commodity Futures Trading Commission ("CFTC"), and is a member of the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association ("NFA"). The Company's business is primarily comprised of agency commission transactions and principal trading of fixed income securities.

### 2. Summary of significant accounting policies

#### *Cash and Cash Equivalents*

The Company considers all highly-liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

#### *Securities Owned and Securities Sold, Not Yet Purchased, at Market*

All securities owned and securities sold, not yet purchased are valued at market and unrealized gains and losses are reflected in principal transactions.

#### *Securities Transactions*

Securities transactions and the related income and expenses are recorded on a trade-date basis.

#### *Property and Equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization. The Company provides for depreciation and amortization as follows:

Asset	Estimated Useful Life	Principal Method
Computer equipment	3 years	Straight-line
Furniture and fixtures	5 years	Straight-line
Leasehold improvements	Lease term	Straight-line

#### *Income Taxes*

The Company is not subject to federal or state income taxes and, accordingly, no provision for these income taxes has been made in the accompanying financial statements. The partners are required to report their proportional share of gains, losses, credits and deductions on their respective income tax returns. The Company is subject to the New York City Unincorporated Business Tax for which a provision has been recorded.

# FURTHER LANE SECURITIES, L.P.

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of significant accounting policies (continued)

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

### 3. Property and equipment

Details of property and equipment at December 31, 2007 are as follows:

Computer equipment	\$	65,497
Furniture and fixtures		12,497
Leasehold improvements		67,048
		<hr/>
		145,042
Less accumulated depreciation		84,486
		<hr/>
	\$	60,556
		<hr/>

### 4. Related party transactions

Pursuant to an administrative service agreement, the Company charges \$49,500 per month to an affiliate for various general and administrative expenses. As of December 31, 2007, the Company has charged \$594,000 for expenses paid for on behalf of this affiliate, and has a corresponding receivable of approximately \$412,000.

Included in due from affiliates at December 31, 2007 is a receivable from another affiliate of approximately \$158,000. This receivable, which is non interest bearing and due on demand, represents cash advances and receivables for expenses incurred on behalf of the affiliate.

Also included in due from affiliates at December 31, 2007 is a receivable from a partner of approximately \$736,000, which is non interest bearing and due on demand.

### 5. Exemption from Rule 15c3-3

The Company is exempt from SEC Rule 15c3-3 pursuant to the exemptive provision under sub-paragraph (k)(2)(ii) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."



# FURTHER LANE SECURITIES, L.P.

## NOTES TO FINANCIAL STATEMENTS

### 6. Securities owned and securities sold, not yet purchased

Details of securities owned and securities sold, not yet purchased at December 31, 2007 are as follows:

	Securities owned	Securities sold, not yet purchased
Collateralized mortgage obligations	\$ 27,535	\$ -
Other debt securities	4,218,059	-
Common stock	1,440	
U.S. Government obligations		1,290,404
	<u>\$ 4,247,034</u>	<u>\$ 1,290,404</u>

### 7. Commitments

The Partnership is currently operating under a month to month lease for office space as its original lease expired in February 2008.

Rent expense, including certain other rent charges, for the year ended December 31, 2007, was approximately \$132,000.

### 8. Net capital requirement

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. The Company is also subject to CFTC Rule 1.17. At December 31, 2007, the Company's net capital was approximately \$2,792,000 which was approximately \$2,692,000 in excess of its SEC and CFTC minimum requirement of \$100,000.

# **FURTHER LANE SECURITIES, L.P.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **9. Subordinated loan**

At December 31, 2007, the Company had a subordinated loan agreement with its parent company which was in accordance with an agreement approved by FINRA. The terms of the subordinated loan agreement are as follows:

\$1,327,000 loan agreement maturing on May 31, 2010, and bearing interest at a fixed rate of 8% per annum. The loan includes accrued interest of \$70,773 at December 31, 2007, which is also subordinated, as per the agreement.

The loan agreement has been approved as regulatory capital and constitutes part of the Company's net capital under the SEC's Uniform Capital Rule 15c3-1.

### **10. Off-balance sheet risk and concentrations of credit risk**

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the customers' accounts.

The Company's short positions may increase in value and to cover the short positions, the Company may need to pay more than the carrying value of these positions at December 31, 2007.

All of the Company's owned securities positions are carried by its clearing broker.

**END**